

# THE ROLE OF HR MANAGERS FOR ENSURING EFFECTIVE REPATRIATION AFTER GLOBAL ASSIGNMENTS IN INDIA BASED IT INDUSTRIES

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## ABSTRACT

*With the pressure of globalization, international job mobility is becoming a more common experience for a growing number of employees. It is critical for IT companies to remain competitive in the area of human resource development. It was identified that too much attention was provided for the expatriation process while considerably less attention was provided for repatriation process. Indian IT companies constantly have the opinion that the re-entry to the native country can never be an issue. Nonetheless, research points out that repatriation might be a very problematic change compared to expatriation. Thus, the chief aim of this paper is to analyze how repatriates can be retained in IT MNCs in India. Thus, this study defines the significance and efforts taken by HR managers in retaining repatriated employees in an organization and identifies certain reasons why employees decide on leaving a firm shortly after repatriation. Further, it explores how HR managers set up various repatriation programs on par with employee requirements, which result in employee retention some time. This paper also tries to examine the patterns of HR managers' opinion before, during and after international assignment of employees and to analyze the International Human Resource Managers' opinions towards repatriates and their impact on retention of repatriates. To conclude, if repatriates are not dealt properly during the re-entry process, companies may have to incur huge losses, despite the fact that huge investment is made in various resources like money, time, training & development etc. in sending the employees on International Assignments. Hence, it is suggested that IT MNCs should identify repatriates' potential to perform in the home country after repatriation.*

**KEYWORDS:** Repatriation Process, Indian IT Firms, HR Managers, Efficiency, Repatriates, Policies, Globalization & Global Assignments

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## INTRODUCTION

Globalization is occurring at a feverish pace as organizations continue to pursue strategies in an attempt to remain competitive within the changing aspects of world economy Sims and (Schraeder, 2004). New markets for companies and firms have developed through improved competition and better communication technology and the ever changing consumer lifestyles and perceptions. (Martinez & Quelch, 1996). Therefore, in order to grasp the incursion of global competition, firms have acknowledged the augmented significance of competent organization (Pucik, 1998). For the IT industries to make use of the advantages of global experience, they must make sure that

repatriates' retain in their jobs even after returning from their intercontinental postings. Unluckily, several international firms complain about unnervingly less retention rates and brand repatriation as one of their chief human resource challenges. Repatriates' understanding and proficiency are generated and therefore continue to be person-bound (Bender and Fish, 2000). Once repatriates leave, the firm experiences loss of cognition and probably to competitors (Poe, 2000, Jana, 2000, Caligiuri and Lazarova, 2001, Lazarova and Tarique, 2005). Increased turnover rates amongst repatriates similarly have a possibly adverse influence on the wish of new cadre to agree for global assignments (Tung, 1988). Thus, the purpose of this thesis is to contribute with an understanding of problems which repatriates encounter during their repatriation and how the process of repatriation can be enhanced by HR managers.

The international exposure makes the employee more qualified and competent that the employee no longer depends on a single organization to satisfy the career objectives. The accountability for career development has shifted from the firm to the employee thereby leading to new perspective called "Boundaryless" careers (Stahl et al., 2007).

The rampant advancement in Science and Technology is making the knowledge, skills and abilities of talented employees archaic. This calls for an incessant improvement of an employee's skills, without which the employee would become jobless in no time in this borderless world. When employees in a multinational company return after an offshore assignment, the expatriates return with a perceived expectation of having a 'royal' treatment on returning. However, in reality expatriates' face reverse culture shock where, changes may have occurred in the parent company from corporate restructuring to shift in policy and strategy (Stroh et al., 1998). Rather than being a simple adjustment, returning "home" is as inspiring as being a novice in overseas (Stroh et al., 1998). Repatriates develop their professional, managerial and personal competencies after a stint abroad. This outcome of an overall development of a repatriate makes the employee much more confident and independent that facilitates potential advancements either within the company or with the company's competitors. If there is a business requirement, and the returning expatriate is suitable for a specific role, the individual may be promoted considering the newly gained skills. Some other facilities which an organization extends to its repatriates are mentoring, re-orientation training, career counseling and continuous communications with the home office. It is imperative for the HR managers to identify the measures to retain the repatriate and capitalize on the investments made on the employee.

## **REVIEW OF LITERATURE**

In an international assignment, repatriation and expatriation process are not two distinct processes, but expatriation is the initiation while repatriation is the culmination of the same process (Osman-Gani and Hyder, 2008). Repatriation or reentry is the shift from the overseas country back into one's own country and organization (Sims et al., 2004).

### **Challenges in Repatriation**

Repatriates generally get more de-motivated when holding a senior position in the foreign location; and now holding a less senior level on return. On return, repatriates are frequently given a lateral move (Dowling). The positions are not related, or draw upon experiences and skills that the person may have acquired during the international assignment thereby devaluing the international experience. While most companies have formal policies and procedures for sending an expatriate abroad, very few have framed policies for repatriating employees. Effective repatriation management programs, repatriation policies and procedures are the only measures that an organization can do to effectively retain repatriates.

Albeit firms having well-articulated policies, it is not executed effectively. Employers deliberately fail to make the most of the investments made on employee sent overseas (Lazarova and Caliguiri, 2001). Organizations do not stipulate on how the abroad experience will fit into progression of employee's career Berman and Nicholas, (2009), Stahl et al., 2004. Repatriating employees do not comprehend about their position when returning home (Solomon, Lazarova). During international assignments, expatriates are compensated with a higher compensation than in the native company. However, on return, the pay packet is not very lucrative, with lower purchasing power and subsequent dissatisfaction with the repatriation process (Vidal, 2008), (Murray and Alex 1973). Repatriates have to compromise for a lifestyle that is significantly less comfortable than that of their foreign assignment (Solomon, Andreason et al, 2004, and Stroh et al, 2000). Not all companies invest on training repatriates when are returning to home country. Organizations forget that repatriation is equally a difficult phase like expatriation. All problems that an expatriate encounter would be faced even during repatriation. Many researchers are of the view that repatriation adjustment is more austere than expatriation adjustment (Vidal et al., 2008, Anderson et al, 2004, Shumsky and Noel 1999).

Palmquist Matt (2012), found that there is a high turnover among the employees who are posted abroad. It came into picture in 2010 when a survey was conducted among one hundred and twelve repatriated employees from one hundred and twenty multinationals in the United Kingdom, Germany, United States and Australia.

### **HR Policies and Implications Towards Repatriation**

Not all companies invest on training repatriates when are returning to home country. Organizations forget that repatriation is equally a difficult phase like expatriation. All problems that an expatriate encounter would be faced even during repatriation. When an employee is accepting an overseas assignment, the employee is mentally prepared to encounter a different culture there and is willing to accept the same. But the employee does not expect to see changes back home. Organizations also perceive that employees are returning to their own homeland, so what is the necessity to offer special training. Eventually, repatriates are bewildered by witnessing the 'new' work environment. This could be avoided by arranging special training programs to reorient the repatriates back into their company. Companies assign expatriates a mentor to alleviate the "out-of-sight, out of-mind" syndrome through providing information on a regular basis (Dowling and Welch, 1999).

(Jassawalla, Avan, Connolly, Traci. Slojkowski, Lindsay 2004) undertook an exploratory research by interviewing 9 expatriate managers. The respondents were questioned about the official repatriation process which was experienced, approaches about re-assimilation process into the firms, the stress and anxiety experienced and suggestions for better repatriation. Respondents were also questioned about the nature of the assignments, the training received if any, and also the nature of communication between the respondents and the firms during the foreign assignment. Based on a qualitative analysis, the authors had developed a model for future testing. It was proposed that the key action steps taken prior to leaving, during the assignment and upon return determine the organizational and individual outcomes. The variables identified erstwhile to departure include career counseling and proper repatriation policies. The variables identified during the stay include - perception of support while on assignment and, nature and frequency of communication. Once the expatriates' return, the interaction quality with benefactors and awareness of support upon return are considered as important. When the three stages of repatriation are handled effectively, the final outcome for the firm would result in improved retention and return on investment in human capital. The employee would be benefitted in terms of lower uncertainty and anxiety, greater satisfaction and sense of belonging.

(Kulkarni, Mukta, Lengnick-Hall, Mark, Valk, Reimara 2010), have briefed about repatriation perceptions. With a help of an investigative study, the authors observe repatriated employee's opinions about HR undertakings that ease and deter the repatriation in India. The samples for this study were employees who returned to Bangalore, India after a US assignment. The interview focused on getting responses for research areas as –the existence and features of a repatriation program, HR practices in US and India, practices that organization should inculcate to enhance repatriation experience and any other issues related to repatriation. The findings revealed that absence of formal repatriation support, no contact person in HR to aid repatriation and shortage of re-entry training were some of the issues concerning the repatriation process in India. The researchers also found that the performance management processes and the hiring processes are similar in US and India, but more informal in India. Another major finding was that the advancement opportunities are high in India which is proven otherwise in previous studies. From the work-family context, the research revealed that the respondents have a positive reaction on repatriation as the employees are close to the family on return. However, the negative reaction was about the differences in schools, service levels and lifestyle. The authors recommended managing expectations of employees returning to India, generating more strategic and sensitive HR role to expand the repatriation process.

### **Organization Support for Repatriation**

Once they return, companies must provide additional effort in retaining interaction quality, providing a flexible process, employing repatriates as trainers, offering them the special and career counseling, relocation and financial assistance. They should finally provide support to spouses and children. (Andreason & Kinneer, 2005; Caligiuri & Lazarova, 2000; Jassawalla et al., 2004, Lazarova & Tarique, 2005, Morgan et al., 2004; Stroh et al., 1998). Then again, many companies and industries do not make special efforts for their returning expatriates. Parente and Dunlap- (2004) stated that, as per the annual survey of Organizational Resource Counselors in 1998, 76% of the firms had no official repatriation policies, although expatriation policies were usually very robust (Stahl & Cerdin, 2004, Baruch et al., 2002;). During repatriation, repatriates should first try to change their perspective and realize that repatriation may be a backward step in one's career. They should make personal attempts for resocialization, try to stay informed about changes, and contact with previous repatriates to observe them as role models who know possible negative experiences upon return. Furthermore, instead of disparaging and demeaning their native countries, they must try to bring together the finest features and traits of external and internal cultures. They should also be aware of the fact that apart from their country, organizations and friends, they themselves have also changed to some extent during the international experience. Lastly, they must attempt to stay flexible and patient, to attain enhanced results that are desired. (MacDonald & Arthur, 2003, Bossard & Peterson, 2005, Andreason & Kinneer, 2005, Liu, 2005; Peltonen, 1997).

### **OBJECTIVES OF THE STUDY**

- To identify and analyze the opinion of Human Resource Managers towards retention of repatriates in IT MNCs
- To identify the various benefits provided by HR managers for repatriates before, during and after international assignment.
- To list out solutions provided by HR managers for various problems of repatriates after repatriation.
- To find out whether management's support is critical for successful repatriation
- To suggest appropriate measures for the retention of repatriates in IT MNCs in the globalized competition.

## RESEARCH METHODOLOGY

**Sampling Method:** Sample of 150 respondents for the study were selected.

**Sampling Unit:** The data for this study was collected from HR managers in IT sector. IT industry was chosen because it has contributed to workforce development in terms of giving employment opportunities. The prime reason for choosing the IT sector is because, majority of working class in IT field has been steadily progressing in the recent decades compared to other industries/ companies. The necessity to study function of HR management in IT industry for coping and dealing with effective repatriation after global assignments has been gradually increasing.

**Tools of Data Collection:** Both primary and secondary sources were used to collect data for the study. Primary method of data collection was through a structured questionnaire. Internet, national and international journals, magazines, conference proceedings, and various other published sources were referred for collecting secondary data.

**Framework of Analysis:** The different statistical tools used to analyze the data include:

- Correlation analysis
- 'T'- test
- Chi-square test

## FINDINGS AND DISCUSSIONS

### Personal & Organizational Profile of the HR Managers'

The personal profile and other details of the HR managers are very important to study their characteristic features and opinion towards International assignment. In this study, the researcher considered age, gender, education as personal details of the HR managers. Besides these, the researcher obtained organizational information about total years of Experience in the organization. Percentage analysis is applied and the following details are obtained.

**Table 1: Demographic Profile of the Respondents**

S. No	Demographic and Other Variables	Frequency	Percent
1	<b>Gender</b>		
	Male	83	55.3
	Female	67	44.7
	<b>Total</b>	150	100.0
2	<b>Age</b>		
	< 25 years	28	18.7
	25-35 years	58	38.7
	36-45 years	42	28.0
	>45 years	22	14.7
	<b>Total</b>	150	100.0
4	<b>Monthly Income</b>		
	<35,000	9	6.0
	35,000-40,000	69	46.0
	40,001-60,000	51	34.0
	>60,001	21	14.0
	<b>Total</b>	150	100.0
5	<b>Experience Overall</b>		
	<2 years	8	5.3
	2 to 4 years	22	14.7
	4 to 6 years	77	51.3
	6 to 8 years	28	18.7
	>8 years	15	10.0
	<b>Total</b>	150	100.0

(Source: Primary Data)

Table 1 shows that about 55.3% (83) were male, 44.7% (67) are female. Majority of the HR managers are male. It is found that 18.7% (28) HR managers were below 25 years, 38.7% (58) HR managers belong to 25–35 years, 28% (42) belong to 36–45 years and 14.7% (22) HR managers belong to >45 years. Majority of the HR managers belong to 25–35 years. About 6% of HR manager's monthly income falls Rs 35,000. Majority of the HR manager's monthly income is Rs 40000-60000. About 11% of the respondents have 6-8 years of experience. Majority of the HR managers have > 8 years of experience in the company.

**Table 2: Statistical Results (One Sample T-Test)**

SN	Statements	Mean	SD	t-Value	Degree of Freedom	P-Value
1.	Percentage of employees in your company going abroad for an global assignment	2.22667	.95641	7.257	149	.004
2.	Average length of the global experiences of expatriates in your company.	1.7067	.95219	8.466	149	.027
3.	Provision of specific policy and agreement for repatriation process in the organisation.	1.2133	.41103	4.867	149	.032
4.	Making of repatriation agreement by HR managers.	2.3133	1.12409	13.765	149	.000
5.	Initiation of repatriation process and provision of supports by HR managers.	2.9133	1.34582	16.957	149	.041

(Source: Primary Data)

The above table provides the obtained t-value of the above statements are significant at 0.05 level of significance. The mean value, Standard deviation, T-value, degree of freedom and the P-values are provided in the above table. Thus from the statistical results, it's clear that the company provides agreement for repatriation process, support for repatriates, specific policies and agreements for the repatriation process. The Indian IT companies' level of knowledge also depends on the percentage of employees going abroad from the assignments along with the average length of the stay in the project.

**Table 3: Correlation Test Values Obtained**

S.No.	Statements	Mean	SD	1	2	3	4	5	6	7	8	9	10
1	Preparation of expatriates for the new position by developing the plan for the future and giving them the right information before the travel is done by the Organization	3.16	1.40	1									
2	Rendering the needful helps the repatriates for the travel to the home country	3.31	1.36	.96	1								
3	We provide necessary arrangements for repatriates and their family, in order to facilitate the period of transition upon the return.	3.04	1.34	.96	.946	1							
4	The challenges that may occur upon the reentry, to guarantee a better readjustment in the home environment are ensured by the organization.	3.10	1.46	.98	.961	.95	1						

Table 3: Contd.,													
5	We make the Repatriate feel satisfied with his new salary	3.31	1.47	.95	.963	.93	.96	1					
6	We make sure that the new position of the repatriate matches his or her global exposure	3.12	1.45	.98	.963	.95	.98	.96	1				
7	There is effective avenue for the knowledge transfer after return	3.24	1.26	.95	.952	.94	.95	.94	.94	1			
8	A separate mentoring system is in place for repatriates	3.10	1.49	.97	.961	.95	.98	.96	.98	.93	1		
9	Reorientation program regarding the possible changes occurred in the company	3.25	1.29	.95	.959	.952	.953	.94	.951	.98	.94	1	
10	We maintain a continuous communication with the expatriates before and after leaving the host country	3.20	1.34	.97	.958	.963	.965	.952	.974	.96	.96	.97	1

(Source: Primary Data)

A basic correlation matrix was created to lineate the overall means, standard deviations and correlations among the study variables. Table 3 provides the correlation results of the statements. The statements are numbered from 1 to 10 and the correlation value (R-value) are provided in the table 3. The correlation value between each variable and itself is unique. This is because the correlation of any variable with itself is perfect. Thus the  $r=1$  in the above table means correlating the variable with itself. The  $r$  value obtained on correlating the Statement 1 with the Statement 2 is 0.96, with Statement 3 is 0.946, with Statement 4 is 0.95, with Statement 5 is 0.96, with Statement 6 is 0.96, with Statement 7 is 0.94, with Statement 8 is 0.93, with Statement 9 is 0.94 and with Statement 10 is 0.97. The positive value indicates that there exists a positive correlation between the variable. Since the  $r$  values are greater than 0.7, thus there is a strong positive correlation between the statements. The correlation is significant at 0.01 level of significant. Therefore, it is concluded that there is significant relationship between all the statements.

## CONCLUSIONS

This study was an important step in extending an expanding stream of research on retention of repatriates by measuring the company's HR managers' opinion towards repatriation process with reference to job assignment, cross-cultural preparation, career development before international assignment, communication with home country, job assignment, financial Implication during overseas assignment and cultural re-entry, financial implication, career development, intention to leave, repatriates plan and repatriates adjustment after international assignment. This study found that repatriates require cross-cultural preparation before overseas assignment and cultural reentry preparation after overseas assignment. They expect good career prospects after overseas assignments. Thus, IT MNCs should be interested in solving the repatriation problems for two important reasons. First, if an executive who has previously been motivated is no longer motivated by a new domestic position, he or she is likely to leave the organization. Thus, the IT MNCs will be losing a valuable employee, as well as the time and money invested in that employee. Secondly, if other employees recognize the problems experienced by those who take international positions and see that the IT MNCs does not pay any attention to those problems, there is likely to be resistance to accepting overseas positions. This can have long-range effects on the international operations of IT MNCs.

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